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NXP USA, INC.

9 UNITED STATES DISTRICT COURT
10 NORTHERN DISTRICT OF CALIFORNIA
11 OAKLAND DIVISION

13 IMPINJ, INC.,
14 Plaintiff,
15 v.
16 NXP USA, INC.,
17 Defendant.

Case No. 4:19-CV-03161-YGR

**NXP USA, INC.'S MOTION FOR
LEAVE TO FILE MOTION FOR
RECONSIDERATION OF TRIAL
ORDER NO. 3 DENYING MOTION
TO AMEND INVALIDITY
CONTENTIONS (DKT. 411)**

[Civ. L.R. 7-9 – No Hearing Required]

Judge: Yvonne Gonzalez Rogers

1 NXP respectfully requests that the Court grant it leave to move for reconsideration of the
 2 decision denying NXP's motion for leave to amend its invalidity contentions for U.S. Patent No.
 3 9,633,302 ("the '302 patent"). NXP seeks to include a single prior art reference (HITAG μ ISO
 4 18000 datasheet). NXP previously sought to amend its contentions to include HITAG because at
 5 summary judgment Impinj urged, and the Court ruled, that the last limitation of claim 1 of
 6 the '302 patent was non-substantive—a limitation that NXP acknowledges HITAG does not
 7 meet—and this construction renders HITAG anticipatory. Reconsideration is warranted due to
 8 the substantial change in circumstances following the Court's denial of NXP's motion to amend.
 9 When the HITAG datasheet was introduced at trial for other purposes, the jury asked whether it
 10 could be considered prior art. Impinj's trial counsel acknowledged HITAG's relevance to every
 11 element of the asserted claims, allowing that he thought it infringed (which would render it
 12 anticipatory given its prior art status). The Court subsequently granted a new trial on the validity
 13 of claims 1, 3, 4, and 7 of the '302 patent, and in its November 3, 2023 Pretrial Order set a re-trial
 14 for March 18, 2024. The inclusion of HITAG is necessary for a comprehensive and fair
 15 determination of the '302 patent's validity and will ensure that the upcoming re-trial is decided
 16 based on a full and accurate record.

17 **I. INTRODUCTION**

18 NXP seeks to include HITAG as a prior art reference for the upcoming re-trial on the
 19 validity of claims 1, 3, 4 and 7 of the '302 patent. NXP moved for leave to amend its invalidity
 20 contentions to add HITAG during the brief window between (a) the Court's May 22 order
 21 granting summary judgment of infringement of those claims based on the Court's construction of
 22 the final limitation of independent claim 1 as non-substantive and (b) the July 5 start of trial.
 23 Dkts. 339, 367, 397. The Court denied that motion, finding that NXP did not seek to amend in a
 24 timely manner and that significant prejudice would result from allowing amendment during trial,
 25 as "more discovery would be required and trial strategy entirely upended." Dkt. 411 at 2.

26 The landscape of the action has changed dramatically since then. On July 14, 2023, a jury
 27 rendered an inconsistent verdict finding independent claim 1 of the '302 patent valid and
 28 dependent claims 4 and 7 invalid. On September 28, 2023, the Court vacated that verdict and

1 ordered a new trial on obviousness, with the new trial date to be set in a separate order. Dkt. 471
 2 at 16. On November 3, 2023, the Court issued Pretrial Order No. 1A setting a re-trial date for
 3 March 18, 2024. Dkt. 486 at 1.

4 The initial exclusion of HITAG, though recognized as prior art by the jury, was a decision
 5 premised on concerns of undue prejudice and disruption of the trial. But any prejudice has
 6 dissipated following the grant of a new trial, which is more than four months away. And
 7 statements by both the jury and Impinj’s counsel at trial reinforce that HITAG is highly relevant
 8 prior art. Allowing amendment aligns with the judicial preference for deciding cases on their
 9 merits and serves the public interest by fostering a complete and equitable assessment of patent
 10 validity. NXP therefore asks that the Court allow it to move for reconsideration of the order
 11 prohibiting it from amending its invalidity contentions to add HITAG as prior art, thereby
 12 enabling a complete and fair evaluation of the validity of the ’302 patent’s asserted claims.

13 **II. LEGAL STANDARD**

14 Under Civil Local Rule 7-9, leave to move for reconsideration should be granted upon a
 15 showing (a) of “reasonable diligence in bringing the motion” and (b) either (1) “[t]hat at the time
 16 of the motion for leave, a material difference in fact or law exists from that which was presented
 17 to the Court before entry of the interlocutory order for which reconsideration is sought”; or
 18 (2) “[t]he emergence of new material facts or a change of law occurring after the time of such
 19 order.” Civil L.R. 7-9(b). Where reconsideration is requested based on a material difference in
 20 fact or law, the moving “party also must show that in the exercise of reasonable diligence [it] did
 21 not know such fact or law at the time of the interlocutory order.” *Id.* at 7-9(b)(1).¹

22 As for the underlying order that NXP asks the Court to reconsider, the Court may grant
 23 leave to amend invalidity contentions “upon a timely showing of good cause.” P.L.R. 3-6.
 24 Circumstances that may warrant a finding of good cause include “[a] claim construction by the
 25 Court different from that proposed by the party seeking amendment.” *Id.* In determining whether
 26 _____

27 ¹ Although the Civil Local Rules do not provide a vehicle to expedite determination of this
 28 motion, *see* Civ. L.R. 7-9(d), NXP respectfully requests prompt consideration to allow adequate
 time for development of the record before trial if the motion is granted.

1 good cause exists, courts consider (1) whether the moving party acted with diligence in amending
 2 its contentions and (2) whether the non-moving party would be prejudiced if leave to amend is
 3 granted. *Verinata Health, Inc. v. Ariosa Diagnostics, Inc.*, No. C12-05501-SI, 2014 WL
 4 1648175, at *2 (N.D. Cal. Apr. 23, 2014) (citing *O2 Micro Int'l Ltd. v. Monolithic Power Sys.,*
 5 *Inc.*, 467 F.3d 1355, 1363, 1368 (Fed. Cir. 2006)). The “good cause requirement [of P.L.R. 3-6]
 6 does not require perfect diligence.” *Karl Storz Endoscopy-Am., Inc. v. Stryker Corp.*, No. 14-CV-
 7 00876-RS (JSC), 2016 WL 2855260, at *5 (N.D. Cal. May 13, 2016) (citation omitted).

8 **III. ARGUMENT**

9 **A. The Setting of a New Trial Date and Events During Trial Constitute Either a** 10 **Material Difference in Facts or the Emergence of New Material Facts** 11 **Warranting Reconsideration.**

12 In denying NXP’s motion for leave to amend its invalidity contentions, the Court’s order
 13 made clear that timing was everything. The Court advanced the decision of that motion because
 14 “we are in the midst of trial.” Dkt. 411 at 1. The Court’s analysis of diligence centered on the
 15 “shifting of arguments” during pre-trial proceedings, including Impinj’s decision not to disclose
 16 its proposed construction of claim 1’s final limitation as non-substantive until “the prefiling
 17 context” of its summary judgment motion, rather than during claim construction. *Id.* at 2. But the
 18 Court “retains discretion to grant leave to amend even in the absence of diligence[.]” *Google*
 19 *LLC v. Sonos, Inc.*, No. 20-cv-03845-EMC (TSH), 2021 WL 4061718, at *6 (N.D. Cal. Sept. 7,
 20 2021) (citing *Apple Inc. v. Samsung Elecs. Co.*, No. CV 12–00630 LHK, 2012 WL 5632618, at
 21 *5-6 (N.D. Cal. Nov. 15, 2012)). And on that front, the Court found, “importantly, significant
 22 prejudice would result [from amendment during trial]: more discovery would be required and
 23 trial strategy entirely upended.” Dkt. 411 at 2.

24 Since the Court denied NXP leave to amend its invalidity contentions during trial, the
 25 prejudice analysis has been flipped on its head. Specifically, the Court has set a re-trial for March
 26 18, 2024, more than four months away, and thus the prejudice inherent in adding an invalidity
 27 reference during trial has dissipated. Moreover, statements by both the jury and Impinj’s counsel
 28 at trial reinforce the extreme prejudice to NXP that would result from evaluating the validity of
 the asserted claims without considering a reference that only became prior art after the Court

1 entered its summary judgment order finding infringement. These circumstances, whether
 2 characterized as “a material difference in facts” or “new material facts,” warrant reconsideration
 3 of the Court’s order denying NXP leave to amend its invalidity contentions.

4 **1. The setting of a new trial materially changes the prejudice analysis.**

5 When NXP moved on June 20 for leave to amend its invalidity contentions to add
 6 HITAG, trial was just two weeks away. The nearness of trial—in fact, the trial was underway by
 7 the time briefing on NXP’s motion concluded—was undeniably critical to the Court’s evaluation
 8 of NXP’s motion. The potential for “more discovery” during trial and the inevitable disruption of
 9 “trial strategy” were “important[]” reasons for the Court’s denial. Dkt. 411 at 2.

10 These concerns lessened significantly, if not dissipated entirely, when the Court issued its
 11 orders granting a new trial on the validity of the ’302 patent and—just a week ago—setting the re-
 12 trial for March 18, 2024. In conjunction with its original motion, NXP filed its amended
 13 invalidity contentions on June 20, 2023, which included a chart mapping the HITAG prior art to
 14 the asserted claims. Dkt. 367-4. The chart shows that HITAG satisfies every limitation of claim
 15 1 except the final limitation regarding fluid flow, which the Court held on May 22 is not a
 16 substantive limitation entitled to patentable weight. With four months before trial, there is ample
 17 time for the parties to exchange supplemental expert reports on HITAG, take short depositions,
 18 and incorporate HITAG into their trial strategy. Far from “upend[ing]” the parties’ trial strategy
 19 (Dkt. 411 at 2), adding HITAG would streamline that strategy by shifting the focus of the validity
 20 trial from an obviousness combination to a single anticipatory reference. Were the Court to
 21 permit NXP to move for summary judgment of invalidity based on HITAG, the addition of this
 22 reference may even obviate the need for the Court to empanel a jury and hold another trial.

23 In short, the fact that a re-trial of the ’302 patent’s validity has now been set for more than
 24 four months from now removes the prejudice motivating denial of amendment in the first place.

25 **2. Statements by both the jury and Impini’s counsel at trial reinforce the**
 26 **prejudice to NXP in barring amendment of its invalidity contentions.**

27 In contrast, the facts surrounding the original trial establish the significant prejudice to
 28 NXP of excluding HITAG as prior art. Because HITAG was admissible at trial as a non-

1 infringing alternative, the jury saw that reference and Impinj observed HITAG's impact on the
 2 jury. Both the jury's and Impinj's counsel's reactions reflect the significance of HITAG to the
 3 validity of the asserted claims of the '302 patent.

4 At trial, all of the jury's non-damages-related questions during deliberations concerned the
 5 '302 patent, and one expressly addressed HITAG's role in the '302 patent's validity: "Is the
 6 HITAG's product data sheet (Ex. 160.4) considered prior art?" Dkt. 428 at 6. Having denied
 7 NXP's motion to amend its invalidity contentions to add HITAG as an anticipatory reference for
 8 the '302 patent, the Court instructed the jury that the data sheet "was not identified as 'a prior art
 9 reference.'" *Id.* At minimum, this colloquy suggests that jurors, presented with evidence of
 10 HITAG, may reasonably doubt the novelty of the asserted claims. Indeed, Impinj's own counsel
 11 recognized that HITAG practices every substantive limitation of the '302 patent's claims: "Now,
 12 candidly, I think [HITAG] infringes." Tr. at 1388:12-13. But HITAG pre-dates the '302 patent
 13 and therefore it does not infringe; it anticipates.

14 While NXP has believed HITAG anticipates since the Court construed claim 1's final
 15 limitation to be non-substantive in its May 22 summary judgment order, the facts that a jury and
 16 Impinj's counsel appear to agree with that belief are new and different. Excluding HITAG as
 17 prior art prejudices NXP, stripping away a key piece of evidence that a jury in March 2024 could
 18 reasonably find invalidates the asserted claims of the '302 patent.

19 **B. NXP Has Exercised Reasonable Diligence in Bringing This Motion.**

20 NXP had no basis to bring this motion until the Court ordered a new trial on the '302
 21 patent's validity and no context for addressing the extent of the changed circumstances before this
 22 Court's November 3 order setting the re-trial for March 18, 2024. NXP's filing of this motion
 23 within five court days of that order is nothing if not diligent. That the trial is still more than four
 24 months away simply reinforces the reasonableness of NXP's diligence.

25 Before the November 3 order, NXP had no ability to evaluate whether granting leave to
 26 amend would be prejudicial, as it did not know when the re-trial would be set and whether that
 27 date would allow adequate time to incorporate HITAG into the parties' trial strategies. As soon
 28 as NXP learned the date of the re-trial—which provides ample time for both expert reports and

1 summary judgment—NXP filed its motion. And the sooner reconsideration is granted, the sooner
2 the parties can incorporate HITAG into their trial preparation.

3 **IV. CONCLUSION**

4 The Court should grant NXP leave to move for reconsideration of the order denying it
5 leave to amend its invalidity contentions to add HITAG as prior art.

Dated: November 13, 2023

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